

Exhibit 3



SPX CORPORATION

Individual Account Retirement Plan (IARP)

September 18, 2001

Mr. Thomas Gillis
13 Water Way
Ashland, MA 01721

Dear Mr. Gillis:

Sue Budewitz has forwarded on your inquiry as to why the Transition Benefit is only 4% higher than the Account Balance benefit. Hopefully, this letter will explain this difference. Enclosed with this letter is a summary of the transition benefit that you should have received with your opening balance statement.

SPX Philosophy

SPX's philosophy is to provide a competitive benefits package through the SPX Financial Security Plans. The Financial Security Plans include the Individual Account Retirement Plan, the Retirement Savings and Stock Ownership Plan and the Employee Stock Purchase Plan.

The following information was communicated at the employee meetings regarding these benefit plans in 1999:

Am I better off under the former plan or the new plan?

- ◆ *SPX conducted a thorough due diligence to analyze the impact of changes*
- ◆ *Overall, the majority of associates are better off under the new SPX Financial Security Plans*
- ◆ *Under the new plans, there were a small number of employees who would have received a lesser future benefit*
- ◆ *As a result, SPX is providing transition benefits to these associates*

The communication also noted that the transition benefit is provided to help ensure comparable benefits. "Comparable benefits" is determined by looking at the benefits provided through the SPX Financial Security Plans as a whole. The communications you received emphasized that the IARP is one program within the Financial Security Plans structure.

Please note that the SPX Retirement Savings and Stock Ownership Plan provides an increased match over the GSX 401(k) Plan and also an Employee Stock Purchase Plan (where contributions are matched by SPX) is now available for you to take advantage of.

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Your Initial Opening Balance

The estimate provided to you showed that you would be entitled to the greater of the a) IARP Account Balance of \$447,691.04 and b) a lump sum Transition Benefit of \$465,711.21. This estimate was prepared as of January 1, 2002.

The Plan provides that employees who meet certain conditions will receive a "Transition Benefit" under the IARP. This benefit provides an enhanced benefit over the regular IARP Account Balance. The differential between the Transition Benefit and the regular Account Balance is less as you get closer to age 65.

The main reason for the smaller differential in your Account Balance and Transition Benefit is the fact that your early retirement benefit (along with the enhanced early retirement reductions under the GSX Corporate Plan) was used in determining the opening Account Balance at December 31, 1998. By providing the GSX early retirement subsidy to you in the initial Account Balance, a larger initial Account Balance was made available to you. Employees who were participating in the Corporate Plan on 1/1/99 and were at least age 55 with 5 years of service received this enhancement. Please refer to the footnote at the bottom of the first page of the enclosed Summary. If you did not meet this criteria, the value of the benefit payable at age 65 is determined as the opening Account Balance (i.e. the benefit without subsidy).

If this enhancement were not provided to you the Account Balance would have been as follows:

	Account Balance if enhancement was not provided	Estimated Account Balance with the enhancement provided under the Plan
Accrued Benefit at 12/31/98, payable at age 65	\$3,047.25	\$3,047.25
Opening Account Balance	\$244,749.63	\$367,016.83
Principal Credit for 1999	2,419.85	2,419.85
Interest Credit for 1999	11,038.21	16,552.46
Account Balance 12/31/99	258,207.69	385,999.14
Principal Credit for 2000	10,552.00	10,552.00
Interest Credit for 2000	15,776.49	23,584.55
Account Balance 12/31/00	284,536.18	420,135.69
Est. Principal Credit 2001	4,784.00	4,784.00
Est. Interest Credit 2001	15,421.86	22,771.35
Est. Cash Balance Account Balance 12/31/01	\$304,742.04	\$447,691.04

Please note that the comparable Transition Benefit is \$465,771.21.

Comparing the Account Balance without subsidy of \$304,742.04 to the Transition Benefit of \$465,771.21 would result in a differential of 52.8%. This would be the situation if your original Account Balance did not reflect early retirement enhancements to begin with. You would receive the Transition Benefit of \$465,771.21 if you chose to retire at this time.

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If you still feel that you are entitled additional benefits, you may appeal the information provided to you. If you do so:

- your appeal must be filed within 60 days from the day you receive this letter;
- you must specify why you believe that this decision is wrong. Please be as specific as possible.

All appeals should be in writing, and should include your issues and comments.

To help you prepare your appeal of the denial of your request for reconsideration, you (or your duly authorized representative) may review relevant plan documents (such as the plan and its trust agreement).

Plan documents are available at:

SPX Corporation
700 Terrace Point Drive
Muskegon, MI 49443

Normally, we will complete our review of your appeal of the denial of your request for reconsideration within sixty days after receiving it. If we need more time to review your appeal, you will be told that a delay is necessary, the reason for that delay, and the date that you can expect a written reply. A decision will be rendered as soon as possible, but no later than 120 days after receipt of the written appeal.

Please send any appeal to:

Director of Compensation and Benefits
SPX Corporation
700 Terrace Point Drive
Muskegon, MI 49443

Sincerely,

SPX Retirement Program

/kby

cc: Sue Budewitz

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